

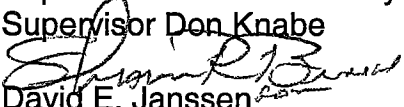


DAVID E. JANSSEN
Chief Administrative Officer

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101

July 17, 2001

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
From: 
David E. Janssen
Chief Administrative Officer

Board of Supervisors

GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATE LEGISLATIVE UPDATE

State Budget Update

The Assembly finally approved SB 739 (Peace), the State's \$101 billion spending plan for FY 2001-02 on a vote of 54-26. The bill is now awaiting Senate action. The four Republicans who voted for the Budget are: Mike Briggs (Clovis), Richard Dickerson (Redding), Anthony Pescetti (Rancho Cordova) and Dave Kelly (Idyllwild).

While the Budget maintains the Republican-opposed quarter cent sales tax, it now includes \$8 million for farmers in the Klamath River Basin where there is a severe drought, \$6 million for law enforcement in Lodi and Galt, \$4.5 million for rural Sheriff's departments and \$27 million in tax cuts for agricultural communities in the Central Valley. It was this additional funding and tax relief which garnered the four Republican votes needed for the required two-thirds vote.

The Senate will convene upon call of the President pro Tem, Senator John Burton. It is unlikely, however, that it will meet today because of a Senate Elections and Reapportionment Committee hearing on redistricting which is taking place today in Los Angeles. Also yet to be acted upon are the numerous trailer bills which implement the spending plan. It is expected that all Budget actions should be completed and sent to the Governor by Friday, July 20, 2001 when the Legislature is scheduled to begin its month-long summer break.

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Together We Can Conserve Energy



Each Supervisor
July 17, 2001
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Pursuit of County Position on Legislation

SB 78 2X (Polanco), which originally contained the Governor's agreement with Edison , was amended on July 16, 2001 to drop the transmission line purchase and instead authorize Edison to issue up to \$2.5 billion of market stabilization bonds that would be paid over five years by the utilities largest customers. As Edison's second largest customer, many of the County's largest facilities would be severely impacted by this charge according to the Internal Services Department. **Consequently, consistent with Board policy to seek stable electricity prices, we will oppose SB 78 2X unless amended to exempt public agencies like the County which can neither pass on the additional cost nor absorb it in its budget.**

Status of Energy Legislation

This afternoon, the Assembly Energy Cost and Availability Committee, chaired by Assembly Member Rod Wright, will hear two competing bills that address the fiscal condition of Southern California Edison: **AB 82 2X (Keeley, Hertzberg, Dutra and Goldberg)** and **AB 83 2X (Wright)**. Indicative of the fluid nature of Capitol discussions on crafting an Edison "solution", **AB 82 2X** was introduced on July 12, 2001 and amended on July 16, 2001, while **AB 83 2X** was introduced as an alternative solution today, July 17, 2001. Committee staff advise that today's hearing is likely to be informational, as leadership and interested parties continue negotiations. Capitol staff advise that the primary difference between the Keeley and Wright bills is that **AB 82 2X** provides for State acquisition of Edison's transmission lines whereas Wright's bill would not.

We will keep you advised.

DEJ:GK
ML:md

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants